

Message Text

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TO AMEMBASSY TEL AVIV IMMEDIATE

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NODIS

FOR AMBASSADOR FROM ATHERTON

E.O. 11652: GDS

TAGS: PFOR, ENRG, IS, EG, US

SUBJECT: DISCUSSIONS WITH ISRAELIS ABOUT GULF OF SUEZ
PROBLEM

REF: SECTO 27145

1. AS INSTRUCTED IN SECTO 27145, HABIB MET PRIVATELY WITH
DINITZ EARLY ON SEPTEMBER 17 TO CONVEY INSTRUCTIONS IN
PARA 2 AND THEN GAVE DINITZ THE ESSENCE OF THE TALKING
POINTS IN PARA 3 OF REFTEL.

2. FOLLOWING THE RECEIPT OF INSTRUCTIONS FROM JERUSALEM,
DINITZ AND EVRON MET WITH ATHERTON IN THE EARLY AFTERNOON,
TO CONVEY PRIME MINISTER'S RESPONSE TO FOREGOING. ATHERTO
OPENED THE MEETING BY COVERING VERBATIM THE EXPOSITION OF
OUR POSITION CONTAINED IN PARA 3 OF SECTO 27145. SPECIAL
EMPHASIS WAS PLACED ON THE POINT THAT WE ARE NOT INSISTING
ON AN ISRAELI COMMITMENT IN THE PRESENT TALKS TO AMOCO'S
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FUTURE DRILLING PLANS BUT SEEKING AN IMMEDIATE SOLUTION TO

AMOCO'S RETURN TO SITE 304.1 WITHOUT HARASSMENT BEFORE SEPTEMBER 21, THE DEADLINE WHICH AMOCO WAS OPERATING UNDER IN RESPONSE TO AN ISRAELI REQUEST MADE THE PREVIOUS DAY BY DINITZ, ATHERTON THEN GAVE (WITH THE EXPLICIT AGREEMENT OF PRESIDENT ADAMS OF AMOCO) COPIES OF THE CURRENT CONCESSION

AGREEMENTS, WHICH COVER THE PRE-1967 AREAS. IN REPLY TO A QUERY, ATHERTON POINTED OUT THE FORCE MAJEURE PROVISIONS IN THE COMPANY'S AGREEMENT BUT ALSO POINTED OUT THEY COULD BE INTERPRETED AS NOT APPLICABLE TO SITE 304.1.

3. DINITZ SAID THAT HE WAS RESPONDING TO INSTRUCTIONS HE HAD RECEIVED FROM RABIN FOLLOWING HIS REPORT OF THE DISCUSSIONS WHICH HE HAD EARLIER WITH HABIB AND DURING WHICH THE U.S. POSITION WAS FULLY SET FORTH. HE SAID HE WISHED TO REPEAT AT THE OUTSET THAT ISRAEL WISHED TO AVOID A CONFRONTATION. THIS WOULD NOT BE HELPFUL EITHER TO ISRAEL OR THE U.S. IN THE PAST NINE YEARS THE PRINCIPLE HAD BEEN ESTABLISHED THAT THE MEDIAN LINE IN THE GULF WAS NOT TO BE CROSSED WITHOUT CONSULTATION WITH ISRAEL. THE ISRAELI SIDE WAS PREPARED TO DISPLAY GOODWILL IN SOLVING THE IMMEDIATE PROBLEM AT HAND BUT WOULD HAVE TO INSIST THAT AMOCO'S ACCESS TO 304.1 COULD NOT BE RESOLVED WITHOUT AN OVERALL UNDERSTANDING AS TO WHAT ISRAEL WOULD HAVE TO CONTEND WITH IN THE FUTURE. THE U.S. PRESENTATION THIS MORNING SUGGESTED THAT THE U.S. WAS REVERTING TO A PIECE-MEAL APPROACH TO RESOLVING THE PROBLEM. THIS WOULD LEAVE ISRAEL UNCERTAIN REGARDING WHAT WOULD HAPPEN IN THE FUTURE. THUS, THE PROBLEM OF SITE 304.1 COULD NOT BE ISOLATED FROM AN OVERALL UNDERSTANDING. WHAT THE ISRAELI SIDE WAS THEREFORE SUGGESTING WAS THAT THE PROBLEM IN DISPUTE COULD ONLY BE RESOLVED IN THE CONTEXT OF THE OVERALL SITUATION. DINITZ SUGGESTED THAT SINCE THE PROBLEM COULD OBVIOUSLY NO BE SETTLED BY THE SEPTEMBER 21 DEADLINE AMOCO COULD PRESUMABLY REQUEST THAT THE DEADLINE BE EXTENDED. DINITZ REPEATED THAT IT WOULD BE DESIRABLE TO DEFER THE TERMINATION DATE OF AMOCO'S CONCESSION IN SITE 304 SO THAT THE ISSUE COULD BE DISCUSSED IN A FRAMEWORK WHICH WOULD NOT PREJUDICE THE ISRAELI POSITION IN THE FUTURE. DINITZ SUGGESTED FURTHER DISCUSSIONS MIGHT TAKE PLACE BETWEEN

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ALLON AND SECRETARY WHEN ALLON VISITS THE U.S. TO ATTEND THE UNGA SESSION.

4. EVRON INTERJECTED TO UNDERLINE THAT ISRAEL APPROACHED THE IMMEDIATE PROBLEM WITH A SINCERE DESIRE TO RESOLVE IT. THE ISRAELI SIDE OPERATED UNDER THE IMPRESSION THAT THERE WAS ONLY ONE MATTER TO RESOLVE AND THAT WAS SITE 304.1 BUT THAT THIS HAD TO BE DONE IN THE CONTEXT OF AN OVERALL

UNDERSTANDING AS TO WHAT WOULD HAPPEN IN THE FUTURE.

5. DINITZ SAID THAT WORKING ON THE ASSUMPTION THAT 304.1 COULD NOT BE RESOLVED INDEPENDENTLY OF OTHER ISSUES, TWO POSSIBILITIES PRESENTED THEMSELVES. THE FIRST WAS TO HAVE THE NEGOTIATIONS BREAK IN A DEADLOCK. THIS COULD FORESHADOW A CRISIS WHICH NEITHER SIDE WANTS. THE SECOND

POSSIBILITY WAS TO DEFER A DECISION ON 304.1 FOR A SHORT TIME, THAT IS, UNTIL ALLON COMES TO THE U.S. WHEN THE MATTER COULD BE FULLY DISCUSSED.

6. ATHERTON STATED THAT IT WAS OBVIOUS THAT THE U.S. SIDE ALSO DESIRED TO AVOID ANY CONFRONTATION OR CRISIS. WE APPRECIATED THE ISRAELI PROBLEM WITH APPROACHING THE MATTER PIECEMEAL AND THIS IS WHY WE WENT THROUGH SOME PAINS TO DESCRIBE AMOCO'S FUTURE DRILLING INTENTIONS SO THAT ISRAEL COULD CONSIDER 304.1 IN A BROADER CONTEXT.

7. DINITZ REPLIED THAT RABIN HAD SAID THAT THIS AMOCO DRILLING PROGRAM COULD NOT EVEN SERVE AS A BASIS FOR DISCUSSIONS. AS FAR AS HE COULD SEE THERE WAS NO NEED FOR ANOTHER EXCHANGE OF VIEWS WITHIN THE PRESENT GROUP AND IT WOULD BE BEST TO DEFER FURTHER DISCUSSIONS UNTIL SECRETARY AND ALLON GET TOGETHER.

8. WE HAVE REPORTED FOREGOING TO THE SECRETARY AND ARE AWAITING HIS FURTHER INSTRUCTIONS. MEANWHILE, ON CONTINGENCY BASIS, WE HAVE WORKED OUT FOLLOWING PRESS GUIDANCE WITH ISRAELIS WHICH BOTH OF US WOULD USE IF IT IS AGREED NOT TO PURSUE DISCUSSIONS FURTHER WITH DINITZ AND EVRON:

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QUOTE ON SEPTEMBER 16 AND 17 UNDER SECRETARY HABIB AND ASSISTANT SECRETARY ATHERTON HELD TALKS WITH AMBASSADOR DINITZ AND DEPUTY DIRECTOR GENERAL EVRON OF THE ISRAELI FOREIGN MINISTRY ON QUESTIONS RELATING TO THE ACTIVITIES OF AN AMERICAN OIL COMPANY IN THE GULF OF SUEZ. THE EXCHANGE OF INFORMATION WAS USEFUL IN CLARIFYING THE SITUATION. THERE REMAIN SOME POINTS WHICH STILL HAVE TO BE RESOLVED, AND EXCHANGES ON THE SUBJECT WILL CONTINUE THROUGH DIPLOMATIC CHANNELS.

QUESTION: WHAT ARE THE POINTS ON WHICH THERE ARE DIFFERENCES?

ANSWER: WE DO NOT WANT TO GO INTO THE DETAILS OF MATTERS WHICH ARE STILL UNDER DISCUSSION.

QUESTION: ARE THE TALKS CONTINUING WITH THIS VISITING ISRAELI GROUP?

ANSWER: NO. AS I SAID, EXCHANGES WILL CONTINUE THROUGH DIPLOMATIC CHANNELS.

QUESTION: WILL THE SECRETARY AND ALLON BE DISCUSSING THIS MATTER?

ANSWER: WE ASSUME THAT THIS MATTER WILL COME UP WHEN THEY MEET. UNQUOTE.

9. IN THE MEANTIME, WE AND ISRAEL HAVE AGREED THAT IN RESPONSE TO PRESS QUERIES WE WILL BOTH SIMPLY SAY THAT WE HELD FURTHER TALKS TODAY, HAVE REPORTED THE RESULTS TO OUR PRINCIPALS, AND ARE AWAITING FURTHER INSTRUCTIONS.

10. FOREGOING IS FYI AND FOR YOUR BACKGROUND SHOULD ISRAELIS RAISE THIS SUBJECT WITH YOU. ROBINSON

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